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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

OCT 30 2009

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COMMISSIONERS

Kristin K. Mayes, Chairman

Gary Pierce

Sandra D. Kennedy

Paul Newman

Bob Stump

IN THE MATTER OF THE APPLICATION OF
SEP-IL, LLC, IN CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES SECTION 40-360, et seq., FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
MESQUITE SOLAR GENERATION-TIE 230kV
TRANSMISSION LINE, ORIGINATING AT
THE PROPOSED MESQUITE SOLAR PHOTO
VOLTAIC GENERATING FACILITY IN SEC.
18, T.1S, R.6W. G&SRB&M, MARICOPA
COUNTY, AND TERMINATING AT THE
EXISTING MESQUITE GENERATING
STATION 230KV SWITCHYARD IN SEC. 15,
T.1S., R.6W. G&SRB&M, IN MARICOPA
COUNTY, ARIZONA.

CASE NO. 147

DOCKET NO. L-00000KK-09-0299-00147

DECISION NO. 71320

Open Meeting
October 20, 2009
Phoenix, Arizona

BY THE COMMISSION:

Pursuant to A.R.S. § 40-360, et seq, after due consideration of all relevant matters, the Arizona Corporation Commission ("Commission") finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Siting Committee") is hereby approved as granted by this Order.

The Commission, in reaching its decision, has balanced all relevant matters in the broad public interest, including the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state, and finds that granting the Project a CEC is in the public interest.

The Commission further finds and concludes that in balancing the broad public interest in this matter:

1. The Project is in the public interest because it aids the state in meeting the need for an adequate, economical, and reliable supply of electric power.
2. In balancing the need for the Project with its effect on the environment and ecology of the state, the conditions placed on the CEC effectively minimize its impact on the environment and ecology of the state.
3. The conditions placed on the CEC resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised.
4. In light of these conditions and in consideration of all relevant matters, the balancing in the broad public interest results in favor of granting the CEC.

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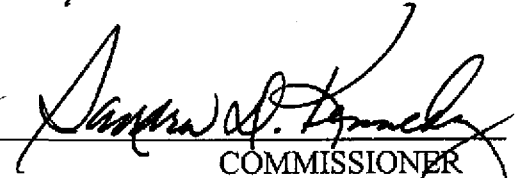
THE CEC ISSUED BY THE SITING COMMITTEE IS
INCORPORATED HEREIN AND IS APPROVED BY ORDER OF THE
ARIZONA CORPORATION COMMISSION


CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capital, in the City of
Phoenix, this 30 day of OCTOBER 2009.


ERNEST G. JOHNSON
Executive Director

DISSENT: _____

DISSENT: _____

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**BEFORE THE ARIZONA POWER PLANT
AND TRANSMISSION LINE SITING COMMITTEE**

IN THE MATTER OF THE APPLICATION
OF SEP-II, LLC, IN CONFORMANCE
WITH THE REQUIREMENTS OF
ARIZONA REVISED STATUTES
SECTION 40-360, *et seq.*, FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
MESQUITE SOLAR GENERATION-TIE
230KV TRANSMISSION LINE,
ORIGINATING AT THE PROPOSED
MESQUITE SOLAR PHOTO VOLTAIC
GENERATING FACILITY IN SEC. 18,
T.1S., R.6W. G&SRB&M, MARICOPA
COUNTY, AND TERMINATING AT THE
EXISTING MESQUITE GENERATING
STATION 230KV SWITCHYARD IN SEC.
15, T.1S., R.6W. G&SRB&M, IN
MARICOPA COUNTY, ARIZONA.

Docket No. L-00000KK-09-0299-
00147

Case No. 147

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CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and
Transmission Line Siting Committee (the "Committee") held a public hearing on August
13, 2009, in conformance with the requirements of A.R.S. § 40-360, *et seq.*, and A.A.C.
R14-3-201, *et seq.*, for the purpose of receiving evidence and deliberating on the
Application of SEP-II, LLC (the "Applicant") for a Certificate of Environmental
Compatibility for the Mesquite Solar 230kV Generation-Tie Transmission Line (the
"Project") as described in its Application.

The following members and designees of members of the Committee were present
for the hearing:

John Foreman

Chairman, Designee for Arizona
Attorney General, Terry Goddard

Paul Rasmussen

Designee for Director, Arizona
Department of Environmental Quality

Jessica Youle

Designee for the Director of the
Energy Office of the Arizona
Department of Commerce

1	David Eberhart	Designee for Chairman, Arizona
2		Corporation Commission
3	Barry Wong	Appointed Member
4	Mike Palmer	Appointed Member
5	William Mundell	Appointed Member
6	Mike Whalen	Appointed Member
7	Jeff McGuire	Appointed Member

8 Applicant was represented by counsel, Steven A. Hirsch and Andrew D. Gleason of
9 Bryan Cave LLP. No parties requested intervention.

10 At the conclusion of the hearing, after consideration of the Application, the evidence
11 and exhibits presented, the legal requirements of A.R.S. §§ 40-360 to 40-360.13, and in
12 accordance with A.A.C. R14-3-213, upon motion duly made and seconded, the Committee
13 voted 9 to 0 to grant Applicant, its successors and assigns the following Certificate of
14 Environmental Compatibility (Case No. 147):

15 Applicant is granted a Certificate of Environmental Compatibility for the
16 construction of facilities as described in its Application as the Preferred and Alternate
17 Routes, consisting of approximately 4.5 to 5.1 miles of double circuit 230kV transmission
18 line and ancillary facilities, including the Mesquite Solar 230kV Switchyard, along the
19 routes and at the location described below. A general location map of the Project, described
20 herein, is set forth on Exhibit A.

21 The Project will begin at the Applicant's proposed Mesquite Solar 230kV
22 Switchyard, to be located on approximately 10 acres in the south half of the northeast
23 quarter of Section 18, Township 1 South, Range 6 West, G&SRB&M, south of the existing
24 Mesquite Generating Station wildlife oasis, in the general area shown on Exhibit A. The
25 Project will end at the existing Mesquite Generating Station 230kV Switchyard, located in
26 the east half of the northwest quarter of Section 15, Township 1 South, Range 6 West,
27 G&SRB&M, and includes modifications to the existing Mesquite Generation Station
28 Switchyard. The Project may be routed along either the Preferred Route or the Alternate
Route.

1 The Preferred Route is as follows:

2 A 240-foot-wide corridor approximately 4.5 miles in length commencing at the
3 proposed Mesquite Solar 230kV Switchyard, then proceeding east on State Land for
4 approximately 0.1 mile, then south on State Land for approximately 0.7 mile, then east on
5 State Land for approximately 0.4 mile along the Section Line between Sections 17 and 20,
6 and then continuing east along the same alignment for 0.5 mile on private property. After
7 exiting private property, continuing east on State Land for approximately 1.0 mile along the
8 Section Line between Sections 16 and 21, and then continuing east on the Mesquite
9 Generating Station site for approximately 0.5 mile along the Section Line between Sections
10 15 and 22. At approximately the midpoint of Section 15, the Preferred Route turns north
11 and continues on the Mesquite Generating Station site for approximately 0.8 mile before
12 turning west at the existing Mesquite Generating Station Switchyard.

13 The Alternate Route is as follows:

14 A 240-foot-wide corridor approximately 5.1 miles in length commencing at the
15 proposed Mesquite Solar 230kV Switchyard, then proceeding east on State Land
16 approximately 0.1 mile, and then north on State Land for approximately 0.3 mile to Elliot
17 Road. Then proceeding east on State Land along Elliot Road for approximately 0.4 mile,
18 then, after exiting State Land, continuing east in Maricopa County right-of-way for Elliot
19 Road for approximately 0.5 mile, and, after exiting Maricopa County right-of-way,
20 continuing east on State Land along Elliot Road for approximately 0.2 mile. Then
21 proceeding south on State Land for approximately 1.0 mile to the Section Line between
22 Sections 16 and 21. Then east on State Land for approximately 0.8 mile along the Section
23 Line between Sections 16 and 21, and then continuing east on the Mesquite Generating
24 Station site for approximately 0.5 mile along the Section Line between Sections 15 and 22.
25 At approximately the midpoint of Section 15, the Alternate Route turns north and continues
26 on the Mesquite Generating Station site for approximately 0.8 mile before turning west at
27 the existing Mesquite Generating Station Switchyard.

28 This Certificate is granted upon the following conditions:

1. The Applicant shall (a) obtain all approvals and permits required by the
United States, the State of Arizona, the County of Maricopa and any other

1 governmental entities having jurisdiction necessary to construct the Project,
2 and (b) file application(s) for such rights-of-way across Arizona State Land
3 Department lands as may be necessary to construct the Project.

- 4 2. The Applicant shall comply with all existing applicable statutes, ordinances,
5 master plans and regulations of the United States, the State of Arizona, the
6 County of Maricopa and any other governmental entities having jurisdiction
7 during the construction and operation of the transmission line.
- 8 3. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or
9 historical site or object that is at least 50 years old is discovered on state,
10 county or municipal land during the construction or operation of the
11 transmission line, the Applicant or its representative in charge shall promptly
12 report the discovery to the Director of the Arizona State Museum, and in
13 consultation with the Director, shall immediately take all reasonable steps to
14 secure and maintain the preservation of the discovery.
- 15 4. If human remains and/or funerary objects are encountered on private land
16 during the course of any ground-disturbing activities relating to the
17 construction or operation of the transmission line, the Applicant shall cease
18 work on the affected area of the Project and notify the Director of the Arizona
19 State Museum pursuant to A.R.S. § 41-865.
- 20 5. The Applicant shall comply with the notice and salvage requirements of the
21 Arizona Native Plant Law (A.R.S. §§ 3-901, *et seq.*) and shall, to the extent
22 feasible, minimize the destruction of native plants during the construction and
23 operation of the transmission line.
- 24 6. This authorization to construct this Project shall expire five years from the
25 date the Certificate is approved by the Commission unless the transmission
26 line is capable of operation. However, prior to expiration, the Applicant or its
27 assignees may request that the Commission extend this time limitation.
- 28 7. In the event that the Project requires an extension of the term of this
Certificate prior to completion of construction, Applicant shall use reasonable
means to notify (a) all landowners and residents within one mile of the

1 Project, (b) all persons who made public comment at this proceeding and (c)
2 all parties to this proceeding of the Applicant's request for such extension and
3 the time and place of the hearing in which the Commission will consider the
4 request for extension.

- 5 8. The Applicant shall make every reasonable effort to identify and correct, on a
6 case-specific basis, all complaints of interference with radio or television
7 signals from operation of the transmission lines and related facilities
8 addressed in this Certificate. The Applicant shall maintain written records for
9 a period of five years of all complaints of radio or television interference
10 attributable to operation, together with the corrective action taken in response
11 to each complaint. All complaints shall be recorded to include notations on
12 the corrective action taken. Complaints not leading to a specific action or for
13 which there was no resolution shall be noted and explained in the retained
14 records.

- 15 9. Within 120 days of the Commission decision granting this Certificate,
16 Applicant will post signs in public rights-of-way giving notice of the Project
17 corridor to the extent authorized by law. The Applicant shall place signs in
18 prominent locations at reasonable intervals such that the public is notified
19 along the full length of the transmission line until the transmission line
20 structures are constructed. To the extent practicable, within 45 days of
21 securing easements or rights-of-way for the Project, the Applicant shall erect
22 and maintain signs providing public notice that the property is the site of a
23 future transmission line. Such signage shall be no smaller than a normal
24 roadway sign. The signs shall advise:

- 25 (a) That the site has been approved for the construction of Project
26 facilities;
27 (b) The expected date of completion of the Project facilities;
28 (c) A phone number for public information regarding the Project;
(d) The name of the Project;
(e) The name of the Applicant; and

1 (f) The website of the Project.

2 10. Applicant, or its assignee(s), shall design the transmission lines to incorporate
3 reasonable measures to minimize impacts to raptors.

4 11. Applicant, or its assignee(s), shall use non-specular conductor and dulled
5 surfaces for transmission line structures.

6 12. Before construction on this Project may commence, the Applicant shall file a
7 construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where
8 practicable, the Plan shall specify the Applicant's plans for construction access and methods
9 to minimize impacts to wildlife and to minimize vegetation disturbance, particularly in
10 drainage channels. Applicant shall re-vegetate, unless waived by the landowner, native
11 areas of construction disturbance to its preconstruction state after construction has been
12 completed, excepting roads providing access to and along the right-of-way and excepting
13 cleared areas around each structure providing access for maintenance and repair activities.
14 Applicant shall select the nature of re-vegetation to avoid interference with the transmission
15 line or intrusion upon safety clearances around the transmission line. The Plan shall specify
16 the Applicant's plans for providing a biological monitor to ensure compliance with
17 Condition No. 5 and the Arizona Native Plant Laws and plans for coordination with the
18 Arizona Game and Fish Department and the State Historic Preservation Office. The
19 Applicant shall use existing roads for construction and access where practicable and the
20 Plan shall specify the manner in which the Applicant makes use of existing roads.

21 13. With respect to the Project, Applicant shall participate in good faith in state
22 and regional transmission study forums to coordinate transmission expansion plans related
23 to the Project and to resolve transmission constraints in a timely manner.

24 14. The Applicant shall provide copies of this Certificate to Maricopa County, the
25 Arizona State Land Department, the Bureau of Land Management, the State Historic
26 Preservation Office and the Arizona Game and Fish Department.

27 15. Applicant will follow the latest Western Electricity Coordinating
28 Council/North American Electric Reliability Corporation Planning standards as approved
by the Federal Energy Regulatory Commission, and National Electrical Safety Code
construction standards.

1 16. The Applicant shall submit a self-certification letter annually, identifying
 2 progress made with respect to each condition contained in the Certificate, including which
 3 conditions have been met. Each letter shall be submitted to Docket Control of the Arizona
 4 Corporation Commission on May 1 beginning in 2010. Attached to each certification letter
 5 shall be documentation explaining how compliance with each condition was achieved.
 6 Copies of each letter along with the corresponding documentation shall be submitted to the
 7 Arizona Attorney General and Department of Commerce Energy Office. The requirement
 8 for the self-certification shall expire on the date the Project is placed into operation.

9 17. The Applicant shall expeditiously pursue reasonable efforts to work with
 10 private landowners on whose property the Project right-of-way will be located, if any, to
 11 mitigate the impacts of the location, construction and operation of the Project on private
 12 land.

13 18. Applicant shall file with the Commission Utilities Division no later than
 14 August 31, 2011, a notice of whether it has selected the Preferred or Alternate Route.

15 19. Applicant shall conduct surveys prior to construction to determine the
 16 presence of LaConte's Thrasher and Western Burrowing Owl. Such surveys will follow the
 17 most recent burrowing owl guidelines published by the Arizona Game and Fish
 18 Department. The survey results will be used to develop mitigation measures during
 19 construction and maintenance of the transmission line.

20 20. If Sonoran desert tortoises are encountered during construction and
 21 maintenance of the Project, the Applicant shall follow the Arizona Game and Fish
 22 Department's Guidelines for Handling Sonoran Desert Tortoises.

23 21. If Kit Fox are encountered during construction and maintenance of the
 24 Project, the Applicant shall make reasonable efforts to avoid adverse impact to the Kit Fox.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

25 This Certificate incorporates the following findings of fact and conclusions of law:

- 26 1. The Project is in the public interest because it aids the state in meeting the
 27 need for an adequate, economical and reliable supply of electric power.
- 28 2. In balancing the need for the Project with its effect on the environment and
 ecology of the state, the conditions placed on the CEC by the Committee

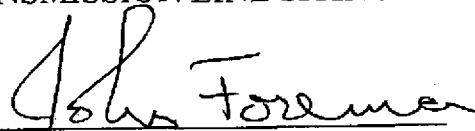
effectively minimize its impact on the environment and ecology of the state.

3. The conditions placed on the CEC by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised.
4. In light of these conditions, the balancing in the broad public interest results in favor of granting the CEC.

GRANTED this 24th day of August, 2009.

ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

By



John Foreman, Chairman

EXHIBIT A

Project Location Map and Proposed Route

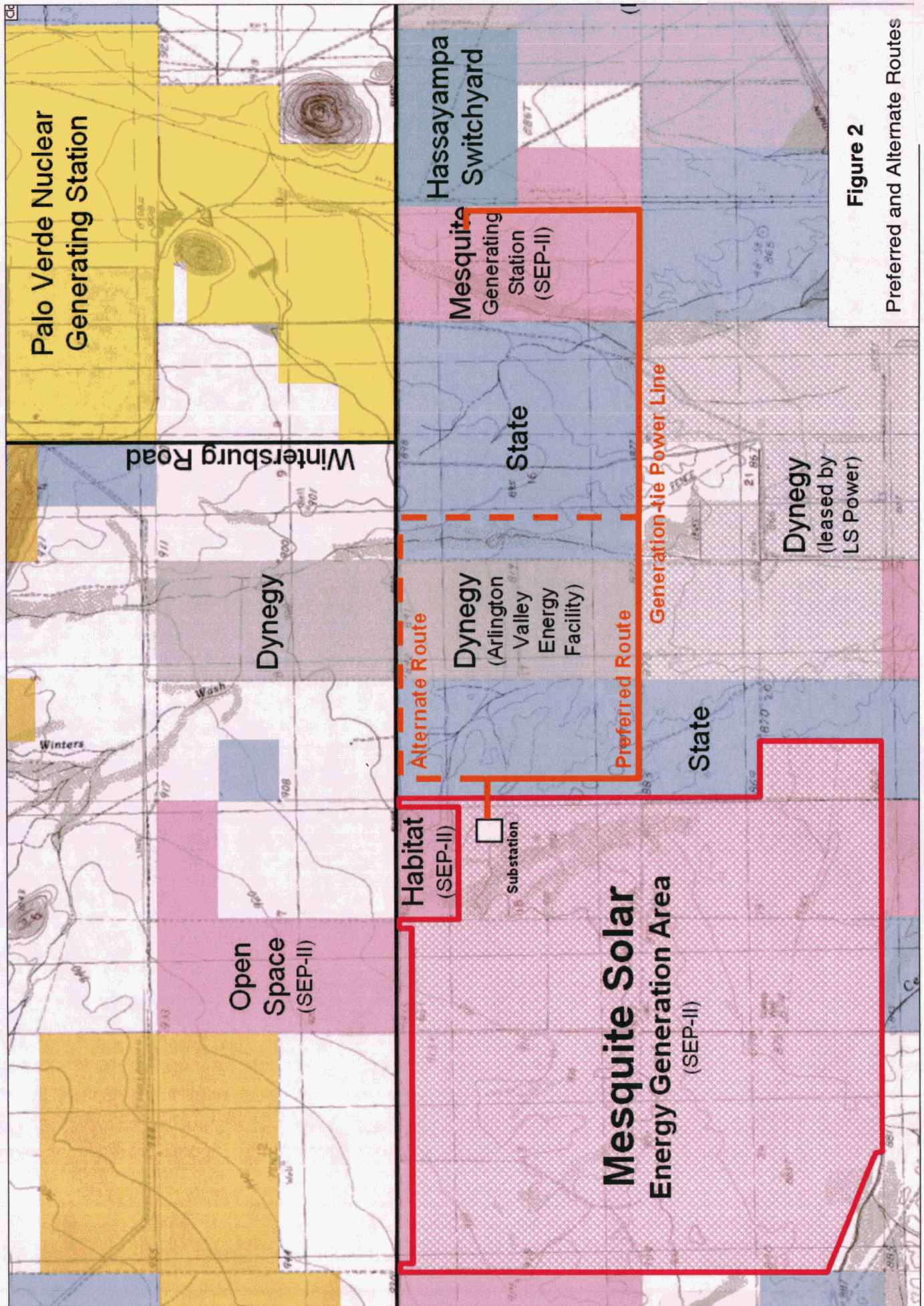


Figure 2

Preferred and Alternate Routes